Arlington Fossil Fuel Free Bylaw & Demonstration Program

May 2024

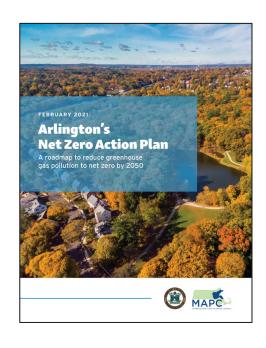


Background



Electrifying buildings is a Net Zero Action Plan (NZAP) Priority

- NZAP is Arlington's roadmap to net zero greenhouse gas (GHG) emissions by 2050
- Key strategy is electrifying buildings
- Priority measure: "Prohibit fossil fuel heating systems in new construction and major renovations"





Arlington's 2020 Clean Heat Bylaw

- In 2020, 92% of Town Meeting Members voted to enact a Clean Heat Bylaw and home rule petition
- MA Legislature never approved clean heat home rule petitions; it instead authorized the creation of a Municipal Fossil Fuel-Free Building Demonstration Program



Municipal Fossil Fuel-Free Building Demonstration Program

- Up to 10 municipalities in MA may implement fossil fuel-free ordinances or bylaws
- Fall 2023 Special Town Meeting adopted the Fossil Fuel-Free Bylaw (updated Clean Heat Bylaw), enabling the Town's participation in the Demonstration Program
- Arlington was accepted into the Demonstration Program Feb 2024
- Arlington's Fossil Fuel-Free Bylaw takes effect on May 21, 2024 (90 days following state approval).



Fossil Fuel Free Bylaw Details



Fossil Fuel Free Bylaw (2023): Overview

Prohibits installation of fossil fuel infrastructure and equipment in:

- New Construction: Retains only the All-Electric pathway for new residential and commercial construction in the Specialized Stretch Energy Code, passed by 2023 Town Meeting. Eliminates the Zero Energy and Mixed-Fuel pathways (which allow fossil fuels).
- Major Renovations: Equipment or appliances used for space heating, service water heating, cooking, clothes drying, and/or lighting that utilize fossil fuels may not be installed.



Fossil Fuel Free Bylaw (2023): Key Definitions

 New Construction: a new building or accessory building associated with a valid building permit application on or after Effective Date of Bylaw (May 21, 2024).



Fossil Fuel Free Bylaw (2023): Key Definitions

- Major Renovations, Low-Rise Residential
 - Low-rise residential alterations exceeding 50% of the existing conditioned floor area AND exceeding 1,000 sq ft.
 - Low-rise residential additions exceeding 1,000 sq ft OR exceeding 100% of the existing conditioned floor area**
 - Low-rise residential changes of use exceeding 1,000 sq ft**



**Added by 2024 Town Meeting on April 24, retroactive to effective date of the bylaw (May 21) once approved by the Attorney General

Fossil Fuel Free Bylaw (2023): Key Definitions

- Major Renovation, Commercial
 - Commercial alterations exceeding 50% of the existing conditioned floor area OR exceeding 20,000 sq ft
 - Commercial additions exceeding 20,000 sq ft OR exceeding 100% of the existing conditioned floor area**
 - Commercial changes of use exceeding 20,000 sq ft or equal to 100% of the existing conditioned floor area**



**Added by 2024 Town Meeting on April 24, retroactive to effective date of the bylaw (May 21) once approved by the Attorney General

Fossil Fuel Free Bylaw (2023): Exemptions

The Fossil Fuel Free Bylaw exempts:

- Research and medical facilities
- Hot water for multifamily buildings over 12,000 sq ft with permits filed prior to Jan 1, 2027
- Utility-side connections
- Backup generators and portable propane appliances
- Extension or modification of existing fossil fuel heating systems
- Repair of existing, unsafe piping



Fossil Fuel Free Bylaw (2023): Waivers & Appeals

- Building Inspector may grant a waiver subject to reasonable conditions; appeals sent to the Town Manager
- Waivers can be requested via the online Fossil Fuel Free Waiver Request Form (in development), on OpenGov
- Applicants must demonstrate how compliance would be financially infeasible or impractical, accounting for rebates
- Guidance from the Select Board is forthcoming



Rebates & Incentives



Mass Save Rebates: Residential New Construction

- New program takes effect July 1, 2024
- Rebates will be updated to align with changes in energy code and encourage all-electric construction
- Up to \$40,000 per home for new, all-electric homes
- See Mass Save website for more details as program is finalized:
 - 1-3 story new construction: https://www.masssave.com/residential/programs-and-services/new-home-construction
 - Multi-family (4+ stories) new construction: https://www.masssave.com/multi-family/new-construction-support

Mass Save Rebates: Renovations & Additions

- Eligible buildings: 1-4 unit and 5+ unit buildings ≤3 stories
- Renovations >50% existing home and additions ≥500 sq ft
- Eligible projects can receive up to a \$10,000 incentive for efficiency gains and heat pump rebates:
 - \$1,250/ton or \$10,000 for whole home air source heat pumps
 - \$2,000/ton or \$15,000 for whole home ground-source heat pumps
- See Mass Save website for more details as new program is finalized: https://www.masssave.com/en/residential/programs-and-actions services/renovations-and-additions

Mass Save Rebates: Residential Weatherization & Appliances*

- 100% off cost of air sealing, 75%-100% off recommended insulation
- \$10,000 for whole-home air source heat pumps (ASHPs); \$1,250/ton for partial-home ASHPs
- \$15,000 for whole-home ground-source heat pump system
- Interest-free loan up to \$25,000 (\$50,000 if installing heat pumps / heat pump water heaters)
- Energy efficient appliances including but not limited to \$500 rebate for an electric induction stove; \$750 rebate for heat pump hot water heaters
- Enhanced incentive households (60-80% of state or area median income, whichever is higher) and income eligible households (<60% of state median income) can access more savings

*See Mass Save website for more details: https://www.masssave.com/residential/rebates-and-incentives

Federal Incentives: Tax Credits

- Zero Energy Ready Homes Tax Credit (45L): up to \$5,000/unit for new construction or major retrofits that qualify for the Department of Energy's Zero Energy Ready Homes standard.
- <u>Commercial Buildings Energy Efficient Credit (179D)</u>: up to \$5.00 per square foot for 25%-50% energy use reductions.
- Energy Efficient Home Improvement Credit (25C): 30% tax credit, up to \$2,000, for air source heat pumps; 30% tax credit, up to \$1,200, for other energy efficiency measures completed at same time as an eligible project, such as installing air source heat pumps.
- Residential Clean Energy Credit (25D): 30% federal tax credit for investing in renewable energy for a home (e.g., solar, geothermal).



Federal Rebates: HER & HEAR

- MA Department of Energy Resources (DOER) is finalizing plans for additional funds through the Inflation Reduction Act:
 - Home Efficiency Rebates (HER): \$73.2 million
 - Home Electrification Appliance Rebates (HEAR): \$72.8 million
- DOER plans to prioritize additional state rebates for low-andmoderate income residents.
- More information from DOER: https://www.mass.gov/doc/her-and-hear-straw-proposal-for-public-input/download
- Stay tuned!



Electric Vehicle Charging

- Eversource Residential Charging Rebates: Up to \$700 for single family homes and up to \$1400 for multifamily homes (up to 4 units) to offset the cost of the wiring or panel upgrades needed to install a 240-volt outlet for a level 2 charger.
- MassEVIP for Multi-Unit Dwellings: For 5+ unit residential buildings, up to 60% of the hardware and installation costs to a maximum of \$50,000 per street address.



For more info on the FFF Demonstration Program, Specialized Code, & Resources: bit.ly/fffenergy

Questions?

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www.arlingtonma.gov/departments/inspectional-services/contact

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